

CIB -

6 OCT 1971


MEMORANDUM FOR THE RECORD

1. On 1 October 1971, I met with Mr. Andrew Ruddock, Director of Bureau of Retirement and Insurance, to discuss BRI's letter of 20 September 1971 relating to our request for an additional administrative allowance for GEHA's Association Benefit Plan.

3. In the course of our discussion, Mr. Ruddock asked if we would have any objection to receiving an administrative allowance on an actual expense basis--this would require an audit by BRI of the expenses involved. I pointed out that the only expenses for which the administrative allowance is used are salaries, and that the audit would merely consist of reviewing a bill from the Agency to GEHA and a payment from GEHA to the Agency for the salaries involved. I mentioned also that I could see no objection to this but that the auditor would have to be cleared and that the records of audit would have to be classified. At the same time, I mentioned that I could see no purpose to be served in changing the nature of our administrative allowance. If in the end actual expenses resulted in the payment of the salaries of the people involved, and if this same result occurred from our present type of allowance, the only difference would appear to be the audit. At any rate, Mr. Ruddock did not press this point.

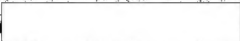
4. Mr. Ruddock did agree that the total expenses of administering our Plan, both Mutual of Omaha and ours, was reasonable in comparison to administrative expenses paid for in other branches.

5. Mr. Ruddock indicated that he would review the position taken by BRI and would be back in touch with me.


Deputy Director of Personnel
for Special Programs

STAT

Distribution:
0 - DD/Pers/SP
2 - C/BSO

OP/D/SP,  (6 October 1971)

STAT